

By Sims

S.B. 1047

A BILL TO ENTITLED

AN ACT

relating to review of district audits by the Texas Water Commission.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 50.375 (a), Water Code, is amended to read as follows:

(a) The executive director may ~~shall~~ review the audit report of each district.

SECTION 2. Section 50.375 (c), Water Code, is amended to read as follows:

(c) If the executive director has any objections or determines any violations of generally accepted auditing standards or accounting principles, statutes, or board rules, or if the executive director has any recommendations, he shall notify the governing board of the district or the district's auditor.

SECTION 3. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and in imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.

By: Sims S.B. No. 1047  
(In the Senate - Filed March 7, 1991; March 12, 1991, read first time and referred to Committee on Natural Resources; April 25, 1991, reported adversely, with favorable Committee Substitute by the following vote: Yeas 9, Nays 0; April 25, 1991, sent to printer.)

COMMITTEE VOTE

	Yea	Nay	PNV	Absent
Sims	x			
Truan	x			
Armbrister	x			
Barrientos	x			
Brown				x
Carriker				x
Lucio	x			
Ratliff	x			
Rosson	x			
Sibley	x			
Zaffirini	x			

COMMITTEE SUBSTITUTE FOR S.B. No. 1047

By: Sims

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\* \* \* \* \*

Austin, Texas  
April 25, 1991

Hon. Bob Bullock  
President of the Senate

Sir:

We, your Committee on Natural Resources to which was referred S.B. No. 1047, have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do not pass, but that the Committee Substitute adopted in lieu thereof do pass and be printed.

Sims, Chairman

FAVORABLY AS SUBSTITUTED  
SENATE COMMITTEE REPORT ON

(SB) SCR SJR SR HB HCR HJR 1047  
By Sims  
(Author/Senate Sponsor)  
4-25-91  
(date of submission to Senate)

Lt. Governor Bob Bullock  
President of the Senate

Sir:

We, your Committee on Natural Resources, to which was referred the attached measure,  
have on 4-24-91, had the same under consideration and I am instructed to report it  
(date of hearing)  
back with the recommendation (s) that it:

- ☒ do pass as substituted, and be printed  
☒ the caption remained the same as original measure  
( ) the caption changed with adoption of the substitute

( ) do pass as substituted, and be ordered not printed

☒ and is recommended for placement on the Local and Uncontested Bills Calendar.

A fiscal note was requested. ( ) yes ( ) no

A revised fiscal note was requested. ☒ yes ( ) no

An actuarial analysis was requested. ( ) yes ( ) no

Considered by subcommittee. ( ) yes ( ) no

The measure was reported from Committee by the following vote:

	YEA	NAY	ABSENT	PNV
Sims, Chairman	✓			
Truan, Vice Chairman	✓			
Armbrister	✓			
Barrientos	✓			
Brown			✓	
Carriker			✓	
Lucio	✓			
Ratliff	✓			
Rosson	✓			
Zaffirini	✓			
<u>Sibley</u>	✓			
TOTAL VOTES	9		2	

**COMMITTEE ACTION**

(S260) Considered in public hearing  
(S270) Testimony taken

[Signature]  
COMMITTEE CLERK

[Signature]  
CHAIRMAN

Paper clip the original and one copy of this signed form to the original bill along with TWO copies of the Committee Substitute  
Deliver one copy of this form to the Calendar Clerk, Room 218 Capitol  
Deliver one copy of this form to the Legislative Reference Library, Room 207B Capitol  
Retain one copy of this form for Committee files

## REQUEST FOR LOCAL & UNCONTESTED CALENDAR PLACEMENT

Hon. Bill Haley, Chairman  
Administration Committee

Sir:

Notice is hereby given that SB 1047, by: Sims,  
(Bill No.) (author)  
was heard by the Committee on Natural Resources on 4-24 19 91,  
and reported out with the recommendation that it be placed on the Local Uncontested Bills Calendar.

  
Clerk of the reporting committee

IMPORTANT: A COPY OF THIS FORM MUST BE ATTACHED TO A PRINTED COPY OF THE BILL OR RESOLUTION, WHICH ALONG WITH 14 ADDITIONAL COPIES OF THE BILL OR RESOLUTION SHOULD BE DELIVERED TO ROOM 419. DEADLINE FOR SUBMITTING BILLS FOR THE LOCAL CALENDAR IS 5:00 P.M. FRIDAY.

Paper clip the original to the bill; retain one copy for reporting committee files; deliver one copy to the bill sponsor.

By: Sims

S.B. No. 1047

Substitute the following for S.B. No. 1047.

By: Sims

C.S.S.B. No. 1047

A BILL TO BE ENTITLED

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BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

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(a) The executive director may ~~[shall]~~ review the audit report of each district.

SECTION 2. <sup>Subsection (c),</sup> Section 50.375 <sup>(c)</sup>, Water Code, is amended to read as follows:

(c) If the executive director has any objections or determines any violations of generally accepted auditing standards or accounting principles, statutes, or board rules, or if the executive director has any recommendations, he shall notify the governing board of the district or the district's auditor.

SECTION 3. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.

4-25-91  
5-2-91

May 3 1991 Engrossed  
Attest (Signature)  
Engrossing Clerk

1991 MAY -9 AM 9:08

HOUSE OF REPRESENTATIVES

I certify that the attached is a true and correct  
copy of SB 1047, which was  
received from the Senate on MAY 6 1991 and  
referred to the Committee on Natural

Resources  
Chief Clerk of the House  
S.B. No. 1047

By: Sims

(Lewis of Orange)

A BILL TO BE ENTITLED

AN ACT

relating to review of district audits by the Texas Water  
Commission.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subsection (a), Section 50.375, Water Code, is  
amended to read as follows:

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or accounting principles, statutes, or board rules, or if the  
executive director has any recommendations, he shall notify the  
governing board of the district or the district's auditor.

SECTION 3. The importance of this legislation and the  
crowded condition of the calendars in both houses create an  
emergency and an imperative public necessity that the  
constitutional rule requiring bills to be read on three several  
days in each house be suspended, and this rule is hereby suspended,  
and that this Act take effect and be in force from and after its  
passage, and it is so enacted.

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE**

**April 26, 1991**

**TO: Honorable Bill Sims, Chairman  
Committee on Natural Resources  
Senate Chamber  
Austin, Texas**

**IN RE: Committee Substitute for  
Senate Bill No. 1047**

**FROM: Jim Oliver, Director**

**In response to your request for a Fiscal Note on Committee Substitute for Senate Bill No. 1047 (relating to review of district audits by the Texas Water Commission) this office has determined the following:**

**No fiscal implication to the State or units of local government is anticipated.**

**Source: LBB Staff: JO, JWH, DF, PA**

# HOUSE COMMITTEE REPORT

91 MAY 14 AM 2:40

REPRESENTATIVE

1st Printing

By: Sims

S.B. No. 1047

(Lewis of Orange)

A BILL TO BE ENTITLED

AN ACT

relating to review of district audits by the Texas Water Commission.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

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# COMMITTEE REPORT

The Honorable Gib Lewis  
Speaker of the House of Representatives

May 13, 1991  
(date)

Sir:

We, your COMMITTEE ON NATURAL RESOURCES,

to whom was referred SB 1047 have had the same under consideration and beg to report  
(measure)

back with the recommendation that it

(x ) do pass, without amendment.

( ) do pass, with amendment(s).

( ) do pass and be not printed; a Complete Committee Substitute is recommended in lieu of the original measure.

A fiscal note was requested. (x ) yes ( ) no

An author's fiscal statement was requested. ( ) yes (x ) no

A criminal justice policy impact statement was requested. ( ) yes (x ) no

An equalized educational funding impact statement was requested. ( ) yes (x ) no

An actuarial analysis was requested. ( ) yes (x ) no

A water development policy impact statement was requested. ( ) yes (x ) no

A federal funds impact statement was requested. ( ) yes (x ) no

( ) The Committee recommends that this measure be sent to the Committee on Local and Consent Calendars.

This measure ( ) proposes new law. (x ) amends existing law.

House Sponsor of Senate Measure R. Lewis

The measure was reported from Committee by the following vote:

	AYE	NAY	PNV	ABSENT
Lewis, R., Ch.	x			
Willy, V.C.	x			
Collazo, C.B.O.	x			
Bosse	x			
Greenberg	x			
Haggerty				x
Hilderbran				x
Puente	x			
Yost	x			

Total

7 aye

0 nay

0 present, not voting

2 absent

Gib Lewis  
CHAIRMAN

Deborah K. McCall  
COMMITTEE COORDINATOR

SB 1047  
By: Sims  
H. Sponsor: R. Lewis

Committee on  
Natural Resources

## BILL ANALYSIS

### BACKGROUND

The Texas Water Commission is required to review district audits to determine the financial stability of the districts, and to ensure proper district management practices are followed. The Commission is also required to review all of the audits to determine if proper and acceptable accounting practices were followed in the preparation of the audit. This is not a cost effective method of district supervision because full review is required of all audits, even if no reason exists to indicate a problem with the audit. Additionally, the State Auditor may review any district audit for accounting practices on its own initiative.

### PURPOSE OF THE BILL

This bill would amend the Water Code to provide for permissive review of district audits to determine if proper accounting practices were followed.

### SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 50.375 (a), Water Code, to replace the word "shall" with "may."

SECTION 2. Amends Section 50.375 (c), Water Code, so that the executive director may notify the district auditor with objections or recommendations about the district.

SECTION 3. Emergency clause. Effective date: upon passage.

### RULEMAKING AUTHORITY

It is the opinion of this committee that this bill does not delegate rulemaking authority to any state agency, officer, department, or institution.

### SUMMARY OF COMMITTEE ACTION

SB 1047 was heard in a full committee public hearing on May 13, 1991. No witnesses were present on the bill. The motion to report SB 1047 favorably back to the full House carried by a vote of 7 ayes, 0 nay, 0 PNV and 2 absent.

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE**

May 9, 1991

TO: Honorable Ron Lewis, Chair  
Committee on Natural Resources  
House of Representatives  
Austin, Texas

IN RE: Senate Bill No. 1047,  
as engrossed  
By: Sims

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on Senate Bill No. 1047, as engrossed (relating to review of district audits by the Texas Water Commission) this office has determined the following:

No fiscal implication to the State or units of local government is anticipated.

Source: LBB Staff: JO, JWH, DF, AS

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE**

**April 26, 1991**

**TO: Honorable Bill Sims, Chairman**  
**Committee on Natural Resources**  
**Senate Chamber**  
**Austin, Texas**

**IN RE: Committee Substitute for**  
**Senate Bill No. 1047**

**FROM: Jim Oliver, Director**

**In response to your request for a Fiscal Note on Committee Substitute for Senate Bill No. 1047 (relating to review of district audits by the Texas Water Commission) this office has determined the following:**

**No fiscal implication to the State or units of local government is anticipated.**

**Source: LBB Staff: JO, JWH, DF, PA**

S.B. No.

1047

By

Sims

A BILL TO BE ENTITLED

AN ACT:

relating to review of district audits by the Texas Water Commission.

3-7-91

MAR 12 1991

Filed with the Secretary of the Senate

Read and referred to Committee on NATURAL RESOURCES

Reported favorably

APR 25 1991

Reported adversely, with favorable Committee Substitute; Committee Substitute read first time.

MAY 3 1991

Ordered not printed

Laid before the Senate

Senate and Constitutional Rules to permit consideration suspended by:

{ unanimous consent

\_\_\_\_\_ yeas, \_\_\_\_\_ nays

MAY 3 1991

Read second time, \_\_\_\_\_, and ordered engrossed by:

{ ~~unanimous consent~~  
a viva voce vote

\_\_\_\_\_ yeas, \_\_\_\_\_ nays

MAY 3 1991

Caption ordered amended to conform to the body of the bill.

Senate and Constitutional 3 Day Rule suspended by a vote of 31 yeas, 0 nays.

MAY 3 1991

Read third time, \_\_\_\_\_, and passed by:

{ ~~A viva voce vote~~

31 yeas, 0 nays

Betty King

SECRETARY OF THE SENATE

OTHER ACTION:

May 3, 1991

Engrossed

5-6-91

Sent to House

Engrossing Clerk

Ratsy Law

MAY 6 1991

Received from the Senate

MAY 8 1991

Read first time and referred to Committee on NATURAL RESOURCES

MAY 13 1991

Reported favorably amended; sent to Printer at

7:15p

MAY 14 1991

Printed and Distributed

2:40 am

14 May 91

Sent to Committee on Calendars

11:17 AM

Read Second time (amended): passed to third reading (failed)

by (Non-Record Vote) Record Vote of \_\_\_\_\_ yeas, \_\_\_\_\_ nays \_\_\_\_\_ present not voting.

Constitutional Rule requiring bills to be read on three several days suspended (failed to suspend) by a four-fifths vote of \_\_\_\_\_ yeas, \_\_\_\_\_ nays \_\_\_\_\_ present not voting.

Read third time (amended): finally passed (failed) by a (Non-Record Vote) Record Vote of

\_\_\_\_\_ yeas, \_\_\_\_\_ nays \_\_\_\_\_ present not voting.

Caption ordered amended to conform to body of bill.

Returned to Senate.

CHIEF CLERK OF THE HOUSE

Returned from House without amendment.

Returned from House with \_\_\_\_\_ amendments.

Concurred in House amendments by a viva voce vote \_\_\_\_\_ yeas, \_\_\_\_\_ nays.

\_\_\_\_\_ Refused to concur in House amendments and requested the appointment of a Conference Committee to adjust the differences.

\_\_\_\_\_ Senate conferees instructed.

\_\_\_\_\_ Senate conferees appointed: \_\_\_\_\_, Chairman; \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_.

\_\_\_\_\_ House granted Senate request. House conferees appointed: \_\_\_\_\_, Chairman; \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_ Conference Committee Report read and filed with the Secretary of the Senate.

\_\_\_\_\_ Conference Committee Report adopted on the part of the House by: \_\_\_\_\_.

{ a viva voce vote  
\_\_\_\_\_ yeas, \_\_\_\_\_ nays

\_\_\_\_\_ Conference Committee Report adopted on the part of the Senate by: \_\_\_\_\_.

{ a viva voce vote  
\_\_\_\_\_ yeas, \_\_\_\_\_ nays

**OTHER ACTION:**

\_\_\_\_\_ Recommitted to Conference Committee

\_\_\_\_\_ Conferees discharged.

\_\_\_\_\_ Conference Committee Report failed of adoption by: \_\_\_\_\_.

{ a viva voce vote  
\_\_\_\_\_ yeas, \_\_\_\_\_ nays

91 MAY 14 AM 2:40

HOUSE OF REPRESENTATIVES